

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 99-111

December 22, 2000

MAINE PUBLIC UTILITIES COMMISSION  
Standard Offer Bidding Procedure

ORDER AMENDING  
STANDARD OFFER PRICES  
FOR CENTRAL MAINE POWER  
COMPANY'S MEDIUM AND  
LARGE NON-RESIDENTIAL  
CUSTOMERS (PART I)

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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By this Order, we establish amended standard offer prices for Central Maine Power Company's (CMP) medium and large non-residential customer classes to reflect the additional costs incurred by CMP to meet its prospective obligation to provide installed capability (ICAP).

On December 15, 2000, CMP filed a petition to amend standard offer prices for the medium and large non-residential standard offer classes pursuant to section 8(D)(3) of Chapter 301 of the Commission rules. CMP states that the immediate need for the price change results from a December 13, 2000 Order by the Federal Energy Regulatory Commission (FERC) that dramatically increased the cost of installed capability (ICAP) through an administratively set ICAP deficiency charge of \$8.75/kW-month retroactive to August 1, 2000. Under CMP's current wholesale standard offer agreement for the medium and large classes, ICAP costs are not included in the fixed price and are passed through to CMP. CMP states that as a result of the FERC order, CMP will undercollect approximately \$9.6 million from the medium and large classes if current rates remain in effect through the remainder of the standard offer period (February 28, 2001). CMP requests that its requested price increase take effect on January 1, 2001.

A hearing was held on CMP's request on December 22, 2000. At the hearing, representatives of CMP, the Office of the Public Advocate, the Industrial Energy Consumer Group, the Mead Corporation, Champion International Corporation, and the Independent Energy Producers of Maine provided comments and arguments to the Commission. During the hearing, CMP stated that approximately \$3.38 million of its request increase is the cost it incurred to cover its January and February ICAP responsibility beyond the amount estimated when standard offer prices were set last February.

We issue this Order in two parts. In this Part I, we announce our decision. In Part II, we will provide the reasoning for our decision. We decide that the standard offer price for CMP's medium and large non-residential standard offer customer classes should reflect the approximately \$3.38 in increased costs that CMP has incurred to

meet its prospective ICAP responsibility. The standard offer price increase does not reflect the costs CMP must pay in ICAP deficiency charges for past periods, nor reflect an estimate for future deficiency charges. We permit, however, CMP to create a regulatory asset, for future recovery, any amounts that the Company incurs for ICAP deficiency charges (or ICAP purchases) that are greater than the amount collected from standard offer customers.

The resulting standard offer prices, effective on January 1, 2001, are \$0.0640/kWh for the medium non-residential standard offer customer class and \$0.066327/kWh on- peak, and \$0.040860/kWh off-peak for the large non-residential standard offer class.

Dated at Augusta, Maine, this 22nd day of December, 2000.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

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